

# MEMO

**DATE:** December

**TO:** Administration Committee

**FROM:** Debbie Dillon, Human Resources Manager  
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**SUBJECT:** 2001 Classification Study Final Report/Staff Turnover Statistics

## **2001 CLASSIFICATION STUDY FINAL REPORT:**

SCAG Best Practices recommended a comprehensive classification study be conducted. A study was completed by a consultant, Personnel Concepts, Inc. SCAG staff recommended implementation of the classification study to the Regional Council in August 2001. The study and the recommendations contained therein were approved by the Regional Council.

A report on the status of the classification work plan was provided to this committee in May 2005 and to the Administration Committee and Regional Council in June 2005.

The Regional Council President requested that a copy of the Executive Summary for the 2001 study be provided to the Personnel Committee as well as staff turnover statistics for the last several years. This information was provided to the Personnel Committee in October 2005.

The 2001 study did not contain an Executive Summary, therefore, a copy of the final report on the classification manual is attached.

## **STAFF TURNOVER STATISTICS:**

**July 1, 2002 – October 20, 2005**

	7/1/02 – 6/30/03	7/1/03 – 6/30/04	7/1/04 – 6/30/05	7/1/05 – 10/20/05
Layoffs	28	3	1	0
Medical Separation	0	1	0	0
Performance Related	3	0	1	0
Retirements	3	4	7	0
Separations	11	5	9	3
Totals*	45	13	18	3

\* Data does not include temporary employees or interns as they are considered contingent workers and not counted in turnover analysis.

# MEMO

According to the United States Department of Labor Bureau for Labor Statistics the statistical method for analyzing employee turnover is:

$$\frac{\text{Number of separations during a month} \times 100}{\text{Average Number of Employees on Payroll for a Month}} = \text{Monthly Turnover Rate}$$

The annual turnover rate is determined by averaging the previous twelve monthly turnover rates.

## SCAG Turnover Rate

Year	6/30/03	6/30/04	6/30/05
Monthly Average # of Employees	113	110	100
Monthly Average # of Separations	3.75	1.08	1.5
Turnover	3.3%	1.0%	1.5%

## How SCAG Compares for August 2005

SCAG Rate	All Non-farm Workers	All Government Workers	All State and Local Government
1.5%	3.3%	2.0%	1.1%

Source is U.S. Department of Labor - Bureau of Labor Statistics

The Society for Human Resources Management (SHRM) cites the typical reasons for turnover in a workplace are:

- Poor communication
- Unskilled supervisors/managers
- Unsatisfying job responsibilities
- Problems with working conditions
- Pay below market levels
- Inadequate benefits
- Insufficient recognition
- Lack of advancement opportunities
- Interpersonal conflicts
- Personal problems (family, health, etc.)
- Wealth of external opportunities

# MEMO

SHRM also suggests several strategies for improving employee turnover.

They are:

- **Employee Relations** – Non-compete agreements, focus groups and exit interviews
- **Compensation** – Sign-on and retention bonuses, merit and incentive pay
- **Benefits** - Expanded benefits, unique services, annual benefit statements
- **Scheduling** - Flexible work schedules, sabbaticals, telecommuting
- **Workplace Enhancement** - Casual dress, career pathing, timely performance appraisals

## WHAT SCAG IS DOING IN EACH OF THESE AREAS:

- **Employee Relations** – HR conducts exit interviews with each outgoing employee to collect data on a confidential basis. Information is shared with management. SCAG recently retained the services of a training and organizational development consulting firm that will be working with us over the next three years to conduct an organizational assessment and target training and organization-wide development, including focus groups. They started their work in October 2005.
- **Compensation** – Based on the 2001 classification/compensation study, SCAG implemented merit pay in 2003 for the whole organization.
- **Benefits** – SCAG provides an annual benefits statement to staff which illustrates the value of the total compensation package. The next statements will be issued in early November 2005. SCAG added the pre-tax parking reimbursement plan in 2005 and has re-bid the life and long term disability plans resulting in a potential savings of up to \$17,000.00 annually. This savings will be re-programmed to provide a comprehensive Employee Assistance Program that includes a monthly Wellness initiative. If additional savings are available, SCAG will enhance one of the other existing benefits programs. Additionally, HR staff is analyzing the possibility of providing a cafeteria plan for health, dental and vision benefits which would provide for a possible increase in SCAG's contribution to health benefits without impacting the liability for retiree medical under the CalPERS system.
- **Scheduling** – SCAG provides flexible start and end times as well as the alternate Friday off schedule to all employees. Unpaid leaves of absence and telecommuting are available under the existing Personnel Rules.
- **Workplace enhancement** – Business casual Fridays are part of the SCAG dress code. The Professional Pathways program commenced in 2004 and is in the development phases. We are working on both the classification side of career pathing to improve the flexibility for employees to move and tighter definitions that describe the jobs. As reported in the May 2005 meeting, our plan is to finish the review of all of the classifications series by June 2006. We are also ramping up the training and development program and reviewing the minimum requirements for internal recruitment and promotion purposes to allow for more advancement opportunity. We are providing Speech Communication training classes to all employees who have English as a second language. Six employees have completed the first course and 12 more are starting in November and December for the first and second course. We are also providing project management training, resume writing,

# MEMO

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interviewing skills and career development workshops in the next several months. Timely performance evaluations have been occurring for the last three years in conjunction with the Merit Pay Program. All employees are on the same review schedule and receive an evaluation two times per year.

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